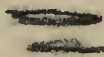




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ELEMENTARY PROPOSITIONS

ILLUSTRATIVE OF THE

PRINCIPLES OF CURRENCY.

Brevis esse laboro.

SECOND EDITION, CORRECTED.

TO WHICH ARE ADDED,

Outlines

OF

POLITICAL ECONOMY.

LONDON :

PRINTED FOR JOHN HATCHARD AND SON,

No. 187, PICCADILLY.

1820.

332
B875
v. 19

ELEMENTARY PROPOSITIONS,

&c.

1. **T**RADER is the Exchange of one Commodity for another.

2. The *intrinsic* value of a commodity is the quantum of skill and labour required for its production: the *marketable* value is as the supply and demand.

3. As simple barter is inconvenient, a common representative of all commodities has been chosen to facilitate exchange.

4. This common representative is Precious Metal.

5. Precious Metal is less liable to waste than most things; it is also little likely to be suddenly increased or diminished in any considerable quantity; it is therefore the best representative that can be found.

6. Being the representative, it is consequently the standard measure of the values of the represented commodities, and if it could be as fixed a measure of value as a foot rule is of space, it would be so much the better; it is only the best that can be found.

7. Coining is the State's warantry of the Metal's purity*.

* It is necessary for a State to fix the number of parts into which it will divide a given portion of metal for its currency, and this fixed number of parts is called the Mint Price of the metal; *i. e.* if a pound of gold is coined into 40 equal parts, each called a Sovereign, the Mint Price of a pound of gold is said to be 40 Sovereigns. The Mint should coin any bullion that is brought to it either gratis, or at a very low price.

8. All commodities are said to be dear or cheap as they require more or less of this representative to be given for them; which expressions can have no meaning but in reference to the standard (6) by which the commodities are measured*.

9. If there be a smaller quantity of metal in a country at one period than at a prior one, the price of other commodities, (their quantities and intrinsic value remaining the same) is said to have fallen, *i. e.* a smaller quantity of Metal must represent the same quantity of commodities, and *vice versa*†.

10. A country must always contain that quantity of Metal which is necessary for its trade: for if the quantity of Metal in it were so *small* that commodities had greatly *fallen* in price, they would be sent out of the country to be exchanged for Metal to be brought back. If the quantity of Metal in it were so *great* that commodities had greatly *risen* in price, the Metal would be exported rather than the commodities, and foreign commodities brought back instead‡.

11. Thus a country must keep that quantity of Metal which is necessary to facilitate its barter, and no more||:

* As Precious Metal is the standard by which all other commodities are measured, to say that it is dear or cheap, is a contradiction in terms. It is better to have only one metal as the representative; and, as Gold, cannot be conveniently coined into sufficiently small pieces, Silver is the best.

† If there be a joint currency of Metal and Paper, and any circumstances should cause an export of the metal, it will be necessary for the issuers of that Paper to diminish its quantity also, that the Paper becoming smaller in quantity may rise in value in proportion as the Metal rises. At the time of the Bank Restriction Bill, Paper ought to have been withdrawn, and the Bill immediately repealed: and had the true principles of currency been understood, it would never have been passed.

‡ The quantity of payments to be made is no criterion of the quantity of currency required to make them.

|| The old notion of the Balance of Trade, and Exchanges continuing against a country has long been exploded, and is seen to be impossible and absurd.

12. As trading by means of Precious Metal is more convenient than simple barter (3 4), so Paper is more convenient than Metal; but Paper is deficient in all the other qualities that Metal possesses: *1st*, It is very liable to waste; *2ndly*, It may be suddenly increased or diminished in any quantity; it wants, therefore, all the necessary qualifications which ought to constitute a standard (6)*.

13. Paper then is an equivalent for Precious Metal, only inasmuch as it is convertible into it at the will of the holder. Paper being the representative of a representative.

14. The coined Metal or Paper used in the internal trade of a country as its representative, is called the Currency of that country.

15. A given portion of Paper is said to be worth a given portion of Metal, (not according to its intrinsic, nor to its marketable value,) (2) but, because it is convertible into that quantity of metal which it professes to be.

16. It has been (10) shewn that the necessary quantity of Metal is preserved in a country by its free import and export: if Paper be substituted for Metal, besides the other defects mentioned (12), this is superadded, *viz.* that it cannot be exported, because it is useless every where but in the country in which it was first issued: the same methods, therefore, which regulate the due quantity of Metal in a country, cannot regulate the due quantity of Paper†.

Any Law tending to control the export and import of Precious Metal may do harm, but can do no good.

* Precious Metal is of great intrinsic value; Paper is of very low intrinsic value; so that a greater quantity of unproductive capital is locked up in a Metallic than in a Paper circulation, which is another advantage in favour of Paper.

† A moral evil arising from a Paper Currency more than from a Metallic one, is the facility afforded to fraud and forgery. But as frauds are chiefly committed upon small sums, this might be greatly counteracted by issuing no notes of a less value than

17. If the currency of a country be composed partly of Metal and partly of Paper, and if, from too great a quantity of Metal being imported and coined, or too great a quantity of Paper issued, the currency become redundant, as the Paper cannot be exported to rectify it (16) the Metal will (10); and if the Paper be convertible into Metal, as much will be so converted, and the Metal exported, as will reduce the quantity of currency to the same amount as if there had been no Paper at all.

18. As long therefore as the Paper currency be convertible into a metallic one, the *joint quantity* of the two will never be greater nor less than it would be, if there were no Paper at all, and therefore the Paper will be as efficient a representative as the Metal.

19. The *relative quantities* of the two at any given period will vary from any other given period, according to the convenience of traders, and are immaterial, as the *joint quantity* is the essential circumstance*.

20. If the Paper be not convertible; if the quantity of currency become redundant; and if the redundancy be greater than the export of Metal can correct (10 16), the remaining Paper currency will be depreciated: *i. e.* will not be worth so much as it professes to be (15), and the prices of all other commodities will rise. (9)

21. It has been shewn (9) that the smaller the quantity of currency be in a country at any one given time, the lower must be the prices of all other commodities at that time; and that if the Metallic part of that currency be exported, it is because there

£.5, making up the remainder of the required circulation by Coin.

* A convertible Paper, authorised by the State, ought to be a legal tender for debt.

is a redundancy of currency; if this redundancy were to be relieved by any other means, the same effect would be produced, as if the Metal were exported.

22. It has been shewn also that as soon as the redundancy is reduced, no farther export of metal can take place; consequently if the redundancy were relieved by any other means, no export at all would take place.

23. As the metal is exported because the *joint* currency is in excess (17), and as, if this excess be removed by any other means, the *metallic* part would not be exported (22), were a sufficient part of the Paper withdrawn from circulation, no export of Metal would take place*.

24. It follows, therefore, that wherever there is no Metal in circulation, it is because the Paper is in excess: and that no measure can be effectual to make Metal return to a country from whence it has disappeared, but the withdrawing part of its Paper currency from circulation, and making the remainder convertible into metal, *ad libitum*†.

* Other circumstances besides the quantity of Paper can cause a variation in the supply of Bullion, but nothing can permanently exclude it, nor permanently maintain it as currency, but the regulation of the Paper which circulates together with it.

† It is the *whole* quantity of Paper now circulating in England that is in excess, not that alone issued by the Bank of England. But all other Paper is convertible into B. of E. Paper, so that a sufficient reduction of this must compel a reduction of the other; and the B. of E. is the only one that has demanded a legislative enactment to screen it from fulfilling its engagements.

POLITICAL ECONOMY.

1. **T**HE primary object of man's labour is to support life.

2. His wants necessary for this purpose are food and warmth.

3. The varieties of food required are great, dependent upon different circumstances of climate, health, fatigue, &c. The varieties of warmth required from fuel, clothing, houses, &c. are also great, and dependent upon similar circumstances.

4. The means of supplying these wants is wealth*, let it consist in what it may; and it is valuable in proportion as it may be securely acquired and employed.

5. Bodily strength is the wealth of the labourer; it is the smallest quantity of wealth which any man can possess.

6. If the produce of a man's labour be more than sufficient to support life, the superabundant produce

* "A man is rich or poor according to the degree in which he can afford to enjoy the necessaries of life." Smith, quoted by Malthus, *Pol. Econ.* c. 6. The subjects of arbitrary governments are always poor: and in more civilized states when public disturbances are threatened, wealth is removed from them into others, and the disturbed states become more embarrassed from their increased poverty.

is additional wealth: the cases are rare where he will be enabled to amass great wealth; but the largest possessions are only the aggregate labours of the ancestors of the present possessors*.

7. If a man employ part of his wealth in procuring other persons to labour for him, the produce of their labour beyond what is given to them as remuneration, is additional wealth to him: that part of the produce which is so given is called wages†.

8. Accumulated wealth (6) is called capital. What is produced by the employment of capital (7) is called profit on that capital. What is gained by personal labour (5), when the produce of that labour is given to another, is called wages. Whatever is derived either from labour or capital, is called revenue‡.

9. When capital is employed in producing revenue, it is said to be productive; if consumed without reproducing any thing, it is destroyed; and if the revenue

* Labour is still labour, whether it be of one organ or of another; whether it be of the back and shoulders in agriculture, of a throat in singing, of fingers in fiddling, of a tongue in pleading, of mind in literary composition, or of a physician in healing.

† The landholder is a capitalist whose wealth consists of land; the persons who are employed by him to cultivate it, are engaged either by the day, or for a longer period: when engaged for a term of years, the amount of their wages is dependent upon their exertions, and they are called tenants: generally, tenants occupy more land than they can cultivate solely by their own labour, and therefore employ also some capital of their own in its cultivation; the revenue thus derived from the employment of their capital, is commonly called profits. Wages is the revenue derived from personal labour. Profit is the revenue derived from productive capital.

‡ Although the term capital is usually confined by writers on Political Economy, to *accumulated* wealth; yet as what is true of the whole, must be true of the part, it would be equally just to give to mere bodily strength the term of capital: and those writers should remember that when they say that capital is valuable because it commands labour, that it is no farther so than inasmuch as labour commands the objects produced by labour itself.

itself be employed productively, it becomes, from that moment, capital.

10. The demand for labourers is in proportion to employed capital and revenue. The supply of labourers is in proportion to the population.

11. The capitalist gives more or less wages according as labourers are abundant or scarce: the price of labour can never continue higher than it is profitable to the capitalist to give; nor lower than is necessary to support the life of the labourer; because in the first case, the capitalist would cease to employ his capital; and in the second case, death would reduce the quantity of labourers, not probably by direct starvation, but by cutting off the sources of health and increase, which are sufficient food and warmth.

12. Trade is the exchange of one commodity for another; consequently, if one country will not allow the productions of other countries to come into it, its own productions cannot go out*.

13. The intrinsic value of any commodity is the quantum of skill and labour required to produce it: the marketable, or exchangeable value, (*i. e.* the quantity of it required to exchange against a given quantity of any other), is as its supply and demand compared with the supply and demand of those against which it is to be exchanged†.

14. If any commodity requires the labour of one man to produce it in a given time, and another commodity requires that of ten men to produce it in the same

* Every tax or restriction upon the introduction of the produce of another country, is also a restriction upon the export of the productions of this country: and therefore tends to impoverish it by checking the demand for labour (11), and consequently the accumulation of wealth (6).

† This rule is true of every species of commodity, labour, capital, of all kinds: thus, in the city of London, capital in money is sometimes to be had for two per cent., sometimes not for five per cent.

time, the latter is worth intrinsically ten times as much as the former; or, in other words, the proprietor gains ten times as much of the former as of the latter for the same quantity of labour.

15. If a machine will produce in a given time any commodity, with the labour of one man, which it would require the labour of ten men for the same time to produce, the proprietor of the machine has nine times as much of this commodity for the same quantity of labour as if he had employed men to produce it, and he has the labour of the nine men to employ in producing other commodities, which labour would have been otherwise all absorbed in producing one commodity only*.

16. In England, coals are found in such abundance, that machinery can be worked by steam to produce clothing with a much less quantity of labour than it can be produced in other countries. In America, Poland, and on the shores of the Mediterranean, &c. corn is produced from the fertile lands, and genial climate, with a much less quantity of labour than it can be produced in England. It is therefore the interest of those countries to procure their clothing from England, and the interest of England to procure its corn from them.

17. It follows, therefore, that there is a constant natural tendency in the supplies for the wants of mankind to equalise themselves over the surface of the globe, and that any interference with this tendency must be hurtful: and as the productions of different countries are so apportioned to the wants of man, that it is the interest of each nation to obtain some of the necessaries of life from others, instead of raising them all within themselves, it is

* The cost of the machine, as well as of keeping it in repair, interest on the capital expended in its construction, &c. must be divided among all the articles produced by it, so that a very small fractional part falls upon each individual.

their mutual interest to continue at peace with each other*.

18. If the manufacturer or grower of any commodity ask the government to prohibit the introduction of that commodity from foreign countries, it implies, *1st*, that it can be brought better and cheaper into this country than he can furnish it; and *2dly*, that he wishes his countrymen to be deprived of the liberty of purchasing where they choose, and to be compelled to purchase of him, at a dear price, the same commodity which they could purchase cheaper elsewhere†.

19. All animals multiply in proportion as the necessaries of life are abundant.

20. "It is dangerous in political economy, to draw conclusions from the physical qualities of the materials which are acted upon, without making due allowance for the moral, as well as the physical quality of the agents."

21. It has been stated, that man is compelled to a certain degree of labour, in order to support life; when that end is attained, indolence (being a greater gratification than any other known) will prevent his further exertion, until other stimuli compel him;

* Since there is a constant tendency in the productions of different countries to find the best markets for themselves, it follows that all prohibitions, bounties, drawbacks, protecting duties, &c. (which are so many monopolies in disguise) are unwise, and if existing any where, should be abolished. "I firmly believe," says Lord Liverpool, "that on all commercial subjects, the fewer the laws the better. I am sorry to see so many on our Statute Book," (p. 48.) When a pernicious system has been long persevered in, it requires a long period to get rid of it. It is therefore the more necessary to lose no time in doing something.

† Hence have arisen from persons ignorant of the principles of trade, drawbacks, bounties, prohibitions, exclusive privileges, &c. "Some suppose," says Lord Liverpool, "that we have risen *in consequence* of that system: others, of whom I am one, believe that we have risen *in spite* of that system."

such as the support of a family, the desire of increased comfort, distinction, power, &c.

22. It has been stated likewise, that wealth is valuable (4) in proportion as it may be acquired and enjoyed with security; an additional inducement, therefore, for a man to labour is, that he may have something to give to another to protect him from domestic fraud and foreign violence.

23. The protectors from the first are, the head of the government and his agents for carrying on this branch of it, such as judges, police officers, &c. &c.—The protectors from the second are, the head of the government and his agents for carrying on this branch of it, such as soldiers, sailors, ships, &c. &c. The money paid for these purposes, are commonly called taxes*.

24. If a tax be levied from the man whose revenue is but just sufficient to support life, he must soon be starved. If it be levied from a man whose revenue is just sufficient to support life, and to pay the tax, it must prevent his amassing any capital. If it be levied from those who are more able to pay it, the tax must be deducted either from that which would have been converted into capital, or from that which would have been expended in purchasing the produce of the labour of others†.

* As security is a valuable ingredient of wealth (4), they who are the means of its security are useful members of society, and consequently not unproductive, inasmuch as without them, wealth could not be so productive. They only are unproductive members of the community, whose revenue is not derived from their own capital nor labour, but solely from the capital of others (9), and which is also independent of all exertion of their own, such as professors in public institutions, sinecurists, parish-paupers, &c.

† It has been urged against this position, that “if A. spend £.100 per annum in wine, and a tax of £.50 per annum be required of him, by consuming half his usual quantity of wine he pays the tax without occasioning the least diminution of demand for labour.” To this it is replied, that £.100 worth

25*. If there is little demand for the produce of labour, little will be produced. If nobody will buy hats, no hats will be made, capital will not be so employed, and the labourers hitherto employed in producing it must be starved; every tax therefore, however it may be shifted from one capitalist to another, falls ultimately upon the labourer, by diminishing the demand for labour, the wages (11), the means of subsistence, and consequently the amount of the population.

26. As much of the taxes of a country as is consumed in clothing and feeding such part of the population as are thrown out of employ by the operation of the tax (24), counteracts its own baneful effects: and thus war by causing a forced and unnatural demand for clothing, iron, and more food than the soldiers and sailors would eat if at their own homes, &c. often seems from the high prices of all commodities, to increase the wealth of a country during a certain time.

27. If taxes were only collected from the revenue of individuals, and expended only upon persons with the smallest quantity of capital (5), they would not be prejudicial: but when, for the purpose of excessive exertion such as war, a nation runs into debt,

of wine can only come in by other commodities to that amount going out; which other commodities have been produced by that amount of labour: if A. cease to consume the wine therefore, he ceases also to employ that labour for which it was exchanged; and the labourers ceasing to be employed, cease to eat, and cease to exist.

* See Malthus, Pol. Econ. ch. ii. sect. 2. Say and Ricardo contend that production creates demand: every body else contends that demand creates production: it is after all quibbling about terms: a demand for A., causes A. to be produced: but the demanders must possess B. and C., or they could have no power to demand A.: so that the production of B. and C. creates the demand for A.; but the demand for A. creates the production of A.

or, in other words, expends in one year as much as could be wisely collected in many years, the formation of capital is proportionably diminished during the whole of that subsequent period, and consequently demand for labour is diminished, &c. (25) for the whole of that period of which the revenue is anticipated.

28. Persons, whose capital consists in money, give their capital to the government, instead of employing it in agriculture or trade; the government levies a tax upon the whole community, to pay them a larger annual sum, than their capital would produce in any other way. This capital, in the hands of government becomes revenue, and is consumed; so that instead of revenue being converted into capital, which is the process by which people become wealthy, capital is destroyed, by which they become poor.

29. If the sum raised by taxes be very large, the number of persons employed by it, if spent, will be very large also. Should this sum be *suddenly* no longer raised by taxes, these persons will be *suddenly* thrown out of employ, and the capital of the individuals who paid them will be *suddenly* increased to the amount of taxes that each contributed: the demand also for the commodities, such as clothing, iron, food, &c. (26) consumed by these taxes, will *suddenly* cease: the capital and labour, therefore, that was employed in producing them, will no longer be directed that way; which circumstances combined, must make that quantity of capital, become *suddenly* unproductive (25), (there being no longer a demand for what it produced) low prices of those commodities, capital very low, (13 note) many labourers thrown out of employ, and great distress throughout the country*.

* A great deal of the capital which can no longer be profitably employed in a country so situated, will be removed into others, and thus the want of demand for labourers will be rendered lasting, until their numbers are reduced (11). This state of things may exist to such a degree as to render so many people

30. The power of a country is in proportion to its population and wealth; these are divided into two principal parts: the one employed in agriculture, and the other in manufacture and trade: a third, and much smaller part, is composed of those described in prop. 23.

31. It has been stated that the necessary wants of man are food and warmth: the objects which conduce to the former are directly the produce of the soil; require quick re-production; are not easily preserved; are limited in kind by nature, and in quantity by the fertility of the soil; incapable of being produced by machinery; and equally required by every human being. The objects which conduce to the latter are for the most part useless, until they have undergone considerable alteration in form and texture from the skill of man; do not require quick re-production; are easily preserved for a great length of time; unlimited in kind and in quantity; more easily produced by machinery than by hand, and many kinds only in demand among the wealthy.

32. It is obvious, therefore, that if the supply of the former be impeded, the evils arising from the failure are more severe and irremediable than from a failure of the latter; and if the supply of the former be derived from only one country, it is more likely to fail than if derived from many.

33. An improvement in machinery, or the opening of a new market, creating an increased demand, may enable a manufacturer *suddenly* to augment his wealth to a great degree: but similar causes would

desperate from want, that property of all kinds will become insecure, and thus another cause for the removal of capital will be created (22). During a war a fictitious capital is raised, or what is the same thing, the capital which would be raised in future years is anticipated, and consequently a fictitious demand for labour, and consequently a forced population: at peace the demand for labour ceases, but the people remain.

not increase *suddenly* the wealth of the agriculturist. Opposite causes would *suddenly* destroy the wealth of a manufacturer, which would not injure the agriculturist. The most prudent employment of capital therefore is partly in agriculture, and partly in trade*.

34. The histories of Carthage, Genoa, Venice, and Holland, seem to shew, that a country which is dependent upon others for the food of the greater part of its population, or whose capital is used in employing a great number of foreigners, is unable to resist the aggression of a more powerful state: in other words, its wealth is not so proportioned to its population, that it is in its utmost degree of power (30). Where men's treasures are, there are their affections also; and a merchant, whose wealth is diffused through many countries, has less exclusive attachments to his native soil, than he whose possessions are wholly confined to it.

35. "The truth of all great results in political economy depends upon proportion†." Great difficulty is found in determining how much of the wealth of a country should be invested in agriculture, and how

* There are few instances in England where very opulent men have not capital invested both in agriculture and commerce. Sir R. Peel, Mr. Arkwright, and Mr. Baring, may be cited as examples of commercial men who are possessed also of large landed estates. The Dukes of Devonshire, and Northumberland, and the Earl of Lonsdale, may be cited as examples of large landed proprietors, who have also much capital invested in various branches of commerce, such as mines, canals, shipping, buildings, &c.

† The question is of importance as the danger of one extreme is shewn in proposition 34; and Poland, Switzerland, and some of the inland German States, might be quoted as examples of countries exclusively agricultural, being unable to keep pace in wealth, and consequently in power, with their more commercial neighbours: as the proportions will vary with the different stages of society, it is probably safest to leave the whole question to the choice and discretion of the parties concerned.

much in commerce: some capital is locked up in works which are profitable to both, such as canals, roads, &c., and may therefore be considered as neutral.

36. If foreign corn were to come freely into England, it would be much cheaper than it is at present: the countries which sent the corn, must take English manufactures in exchange, which would benefit the manufacturers: much of the land which is now employed in producing corn, could no longer be cultivated profitably *in that way*; and as the capital of the manufacturers would be increasing, while that of the landholders were stationary, the latter would appear to sink in wealth, in comparison with the other class*.

37. Although much land could no longer be cultivated profitably for corn, it would not be useless. Corn is an expensive article to carry, by reason of its bulk: the cost of transport would always operate to make it dearer here than in the countries in which it was grown, and it is not probable that wheat could be introduced generally throughout the kingdom at a less price than forty shillings a quarter: this price would give a profit upon much land in England, and therefore it is only the lands of inferior qualities to these, that would be thrown out of *this species* of cultivation.

* A law exists in England by which any person who cannot get work, may go to the landed proprietors, and compel them to support him: at 23 are shewn the only just grounds of taxation: this law is, therefore, in the highest degree unjust, and consequently prejudicial in various ways. It is of so long standing, that it requires to be changed very gradually: this may be done by enacting, that no person shall be entitled to the benefit of this law, who is born of a marriage contracted after some specified time. The landed proprietors would therefore be entirely relieved from this burthen in the course of another generation; and this would compensate them for the loss that would arise from their lands being thrown out of that species of cultivation by the importation of corn.

38. Corn, though a principal, is not the only necessary article of food: fresh meat is a very essential one also, and which must be raised at home: the lands which could not be profitably employed in tillage for corn, on account of the reduced price of the produce, might be employed profitably in grazing and fattening cattle. The population increasing from the reduced price of corn, and the demand for labourers from increasing trade, would create an increased demand for meat. Although other climates are more conducive to the growth of corn than England, none are so much so for the rearing of cattle, owing to the humidity arising from its insular situation*.

39. It is obvious that when wages, estimated in money, are said to be high or low (11), it must be in reference to the quantity of other commodities which they can procure: and as the amount of population is one ingredient in the power of a state (30), which increases in proportion as the necessaries of life are abundant (19 2) it follows that when wages are high, capital is increasing (6), and the population also; or in other words, that the country is growing in prosperity. It is useless for a government to interfere with the price of labour, but it may do what is equivalent for every good purpose, which is, allow the labourer to buy his food wherever he chooses (18), and which will, of course, be wherever he can get it cheapest and best.

40. Since every tax which raises a larger sum than is necessary for the security of capital falls ultimately upon the labourer, (25) diminishing both the wealth

* If all restrictions on commerce, &c. were removed, the landholders would lose by the importation of corn: they would gain by paying less to the poor, and ultimately nothing: by paying less for the cultivation of their land: and by getting a greater demand for their meat, hay, &c.; these three sources of gain would fully balance the loss.

and population of a country, the sum so raised is the result of excessive taxation, which is the consequence of debt. In other words, each individual has to give a portion of his revenue, not only for the purposes specified in 22 but an additional portion, to pay the persons who gave their capital to the government, for the use of that capital (28) until it be repaid to them. The causes of distress in England are, first, the debt; — secondly, bad laws which obstruct commerce (17 and 18); and, thirdly, bad laws which obstruct agriculture (36 note). The first cause can only be removed by the removal of the two latter, which are completely in our power; and as capitalists who have the means will always leave distressed countries to go to others which are less so (29 note), and as the distress of those who remain is made greater, in consequence (10) of the removal, distress may in time press so heavy on the bulk of the people (29 note), that become desperate, and instigated by wicked men, they may overthrow all their institutions, and involve the whole country in the greatest possible misery. It appears from the petitions lately presented to Parliament from various bodies of merchants, that they are now aware of the badness of the present system; it appears from the speech of Lord Liverpool (quoted in 18 note), that the government is aware of it likewise; nothing therefore can justify our not immediately beginning to return to the sound principles of Political Economy*.

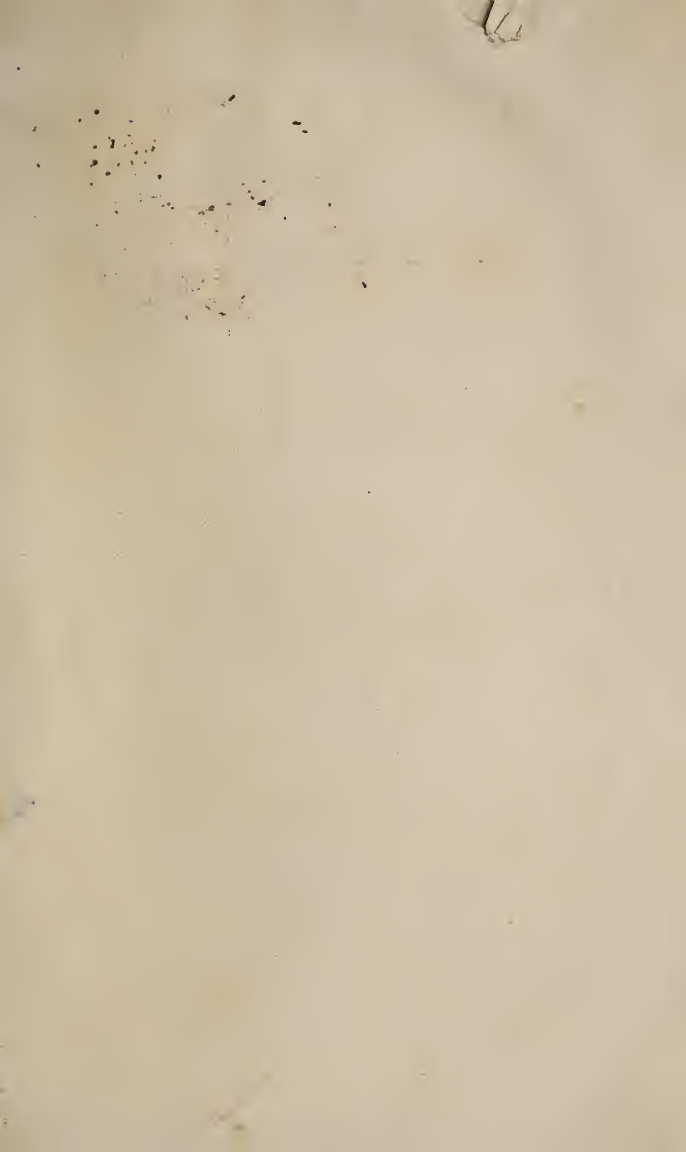
* Excessive taxation, which is the necessary consequence of war, is the cause of all the poverty and wretchedness of nations :—

“ War is a game, which, were their subjects wise,
Kings would not play at. Nations would do well
To wrest their truncheons from the puny hands
Of heroes, whose infirm and baby minds
Are gratified with mischief, and who spoil,
Because men suffer it, their toy, the world.”

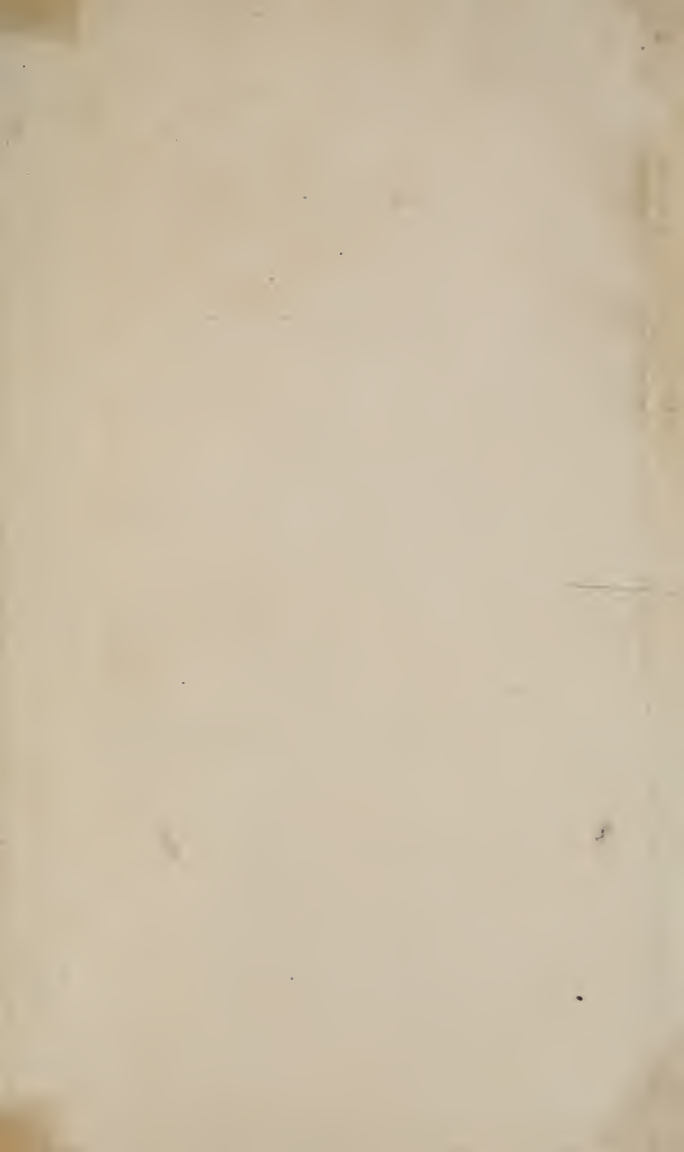
This is all very true; but unfortunately the subjects are no wiser than the kings, full as fond of war, which each nation pretends to be necessary to its existence. They are deservedly punished, among other ways, by excessive taxation, which acts directly and indirectly, positively and relatively, by refraction as well as by incidence, upon every, even the remotest, ramification of civilized life. One, and not the least, of its evils is, that, even when discovered, the cure is nearly as difficult as before; because by its operation the plainest principles of political economy are so distorted that they can scarcely be recognised. The state is become like a man accustomed to live on ardent spirits, equally in danger from a continued use, or from sudden privation of the poison.

Human institutions are always undergoing some change, however imperceptibly they may take place; but when they happen suddenly, and consequently violently, they are usually denominated revolutions, and produce the greatest of all social evils. Political establishments ought always to be improving, and they who recommend great, and they who oppose any change, are equally prejudicial to the well-being of the community.

FINIS.







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